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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions.

Rulemaking 13-02-008

ASSIGNED COMMISSIONER'S AMENDMENT TO SCOPING MEMO AND RULING OPENING PHASE 4 OF RULEMAKING 13-02-008

Summary

This Amendment addresses comments on my Scoping Ruling issued November 21, 2019 and adds additional topics to the scope of the proceeding.

1. Discussion

In Ordering Paragraph 1 of my Scoping Ruling, I directed parties to address their comments to a proposed procedure for implementing Senate Bill 1440 consisting of the following actions:

- The Commission will consult with the State Air Resource Board. This consultation has begun and will lead to a staff report.
- The Commission must determine whether it can make the findings in Public Utilities (Pub. Util.) Code Section 651(a)(1) and (2).
- If those findings are made, then the Commission must consider the following issues:
 1. What are appropriate biomethane procurement targets for each gas corporation?

2. Could the procurement targets be met by any renewable gas that complies with applicable pipeline injection standards?
3. The recommendations developed pursuant to Health and Safety Code Section 39730.8 (Pub. Util. Code Section 651(b)(1).)
4. Are the targets or goals consistent with waste disposal requirements of Health and Safety Code 39730.6 and regulations adopted pursuant to Public Resources Code 42652.5. (Pub. Util. Code Section 651(b)(2).)
5. How to determine if the biomethane procurement meets the requirements set forth in Pub. Util. Code Section 651(b)((3)(B)(i)?
6. How to demonstrate that the biomethane procurement meets at least one of the requirements of Pub. Util. Code Section 651(b)(3)(B)(ii)?
7. How will Investor Owned Utilities (IOUs) recover the costs of meeting procurement targets? What is the expected impact on rates?

On January 10, 2020 comments on the original Scoping Ruling were received from: California Hydrogen Business Counsel; Seahold LLC; Coalition for Renewable Natural Gas; Central California Asthma Collaborative and Leadership Counsel for Justice and Accountability (joint comments); The Utility Reform Network; San Diego Gas & Electric Company/Southern California Gas Company (joint comments); California Business Energy Alliance; First Solar, Inc.; Pacific Gas and Electric Company; Agricultural Energy Consumers Association; Sierra Club; Southwest Gas Corporation; Environmental Defense Fund; California Municipal Utilities Association; Coalition of California Utility employees; Dairy Cares; Gas Technology Institute; Bioenergy Association of California; and Midwest Renewable Energy Tracking System.

Parties' comments suggest many additions and revisions to the scope. Although most of the suggestions are encompassed by the broader categories in the existing scope, I find it is appropriate to add the following issues:

8. Whether to base a procurement target on greenhouse gas (GHG) emission reductions achieved, rather than gas volume, or adopt other provisions to ensure that GHG reductions are maximized?
9. Which biomethane sources have the greatest short-lived climate pollutant reduction benefit? Should procurement be limited to, or prioritize, those sources?
10. How to ensure there are environmental benefits from the procurement that accrue to the utility and/or its customers, and are not used or claimed by another entity?
11. What fuel certification and verification measures are appropriate?
12. What are reasonable estimates of the supply of biomethane available to meet a procurement target as well as meet other demands, including for alternative vehicle fuels?
13. How can we ensure that the procurement will not frustrate or conflict with efforts to decarbonize buildings through electrification?
14. How can we ensure that the impact of meeting procurement targets on rates paid by consumers is reasonable?

IT IS RULED that:

1. The Scoping Ruling and Order issued November 21, 2019 is amended by adding thereto issues numbers 1 through 14 above.

2. This Amended Scoping Ruling may be further amended to consider additional issues, if appropriate.

Dated June 5, 2020, at San Francisco, California.

A handwritten signature in cursive script that reads "Clifford Rechtschaffen". The signature is written in dark ink and is positioned above a horizontal line.

Clifford Rechtschaffen
Assigned Commissioner